

20 May 1954 *Acct 3*~~CONFIDENTIAL~~

MEMORANDUM FOR: Deputy Comptroller

SUBJECT : Repayment of Debts Due the Agency

1. As a result of our conversation of 18 May 1954, I discussed with Colonel White the question of whether it is his desire to personally review and authorize each case of collection of debts due the Agency by pay roll deductions or other means of partial payment over an extended period of time. I reminded him of the conversations held with [ ] in the Finance Division, where so much concern was raised over this practice.

2. He advised me that possibly some decisions were made as a result of the particularly difficult situations at hand which should not necessarily apply to all cases. The Comptroller should review each such case, to determine if the circumstances surrounding the debt are such that the Inspector General and the Deputy Director (Administration) should be advised. In brief, he suggests the following procedure:

a. The Comptroller or his designee may authorize the liquidation of debts over an extended period of time where circumstances completely justify such action.

b. The debtors should be advised in each case that approval of deferred payments in no way will be construed to condone any misuse of funds or relieve the debtor from appropriate disciplinary action.

c. Any case of diverting official funds for personal use should be reported promptly to the Deputy Director (Administration) and the Inspector General, notwithstanding that action is initiated to collect the sum from the individual involved.

3. In the specific case attached, Colonel White stated that under the circumstances indicated he feels that pay roll deductions over a ten-month period are justifiable for repayment of the unaccounted-for balance of the Travel Advance made to a prospective covert associate.

[ ]  
Special Assistant to the  
Deputy Director (Administration)

## Attachment:

Memo for DD/A from A-C/NEZA,  
dtd 12 May 1954, subject:  
Travel Advance Reimbursement by  
[ ]

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STATINTL

Approved For Release 2003/12/03 : CIA-RDP78-04718A000900090129-3

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